

HOUSE BILL NO. 1480

102ND GENERAL ASSEMBLY

INTRODUCED BY REPRESENTATIVE CHRIST.

3573H.02I

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto one new section relating to advanced manufacturing recruitment.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto one new section, to be
2 known as section 620.1920, to read as follows:

**620.1920. 1. This section shall be known and may be cited as the "Missouri
2 Advanced Manufacturing Recruitment Act".**

3 **2. As used in this section, the following terms mean:**

4 **(1) "Base employment", the number of qualified Missouri taxpayers employed
5 by the qualified manufacturing company for the twelve-month period prior to the date
6 of notice of intent;**

7 **(2) "Department", the Missouri department of economic development;**

8 **(3) "NAICS" or "NAICS industry classification", the classification provided by
9 the most recent edition of the North American Industry Classification System as
10 prepared by the Executive Office of the President, Office of Management and Budget;**

11 **(4) "New job", the number of qualified Missouri taxpayers employed by the
12 qualified manufacturing company less the project facility's base employment;**

13 **(5) "Notice of intent", a form developed by the department and available online,
14 completed by the qualified company, and submitted to the department stating the
15 qualified company's intent to request benefits under this program;**

16 **(6) "Program", the Missouri advanced manufacturing recruitment program;**

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

17 (7) "Project facility", the building or buildings used by a qualified
18 manufacturing company at which new or retained jobs and any new qualified
19 manufacturing capital investment are or will be located or by a qualified manufacturing
20 company at which a qualified manufacturing capital investment is or will be located. A
21 project facility may include separate buildings such that their purpose and operations
22 are interrelated. Upon approval by the department, a subsequent project facility may
23 be designated if the qualified manufacturing company demonstrates a need to relocate
24 to the subsequent project facility at any time during the project period;

25 (8) "Project period", the time period within which benefits are awarded to a
26 qualified manufacturing company or within which the qualified manufacturing
27 company is obligated to perform under an agreement with the department,
28 whichever is greater;

29 (9) "Qualified manufacturing capital investment", an expenditure on property
30 in this state, depreciable under Internal Revenue Code, 26 U.S.C. Section 168, that has
31 been verified by the department;

32 (10) "Qualified manufacturing company", a firm, partnership, joint venture,
33 association, private or public corporation whether organized for profit or not for profit,
34 or headquarters of such entity registered to do business in Missouri that is the owner or
35 operator of a project facility company that is classified by the manufacturing NAICS
36 codes 31-33;

37 (11) "Qualified Missouri taxpayer", any individual employed by the qualified
38 manufacturing company whose total annual wage from the company is equal to or
39 above the county average wage and whose wages are subject to the taxes imposed by
40 chapter 143;

41 (12) "Tax credit", tax credits issued by the department to offset the state taxes
42 imposed by chapters 143 and 148, or that may be sold as provided for in this program.

43 3. For all tax years beginning on or after January 1, 2025, a qualified
44 manufacturing company may, for a period of five years, be allowed a tax credit of up to
45 twenty percent of a qualified manufacturing capital investment if the qualified
46 manufacturing company:

47 (1) Makes at least one billion dollars of a qualified manufacturing capital
48 investment; and

49 (2) Creates five hundred or more new jobs.

50 4. The total amount of tax credits issued annually under this section shall not
51 exceed two hundred million dollars per tax year.

52 5. The department shall award tax credits to a qualified manufacturing
53 company that satisfies the qualified manufacturing capital investment requirement in

54 **four separate installments of equal value, equivalent to one fourth of the total agreed-**
55 **upon value of awarded incentive:**

56 **(1) At twenty-five percent of the agreed-upon qualified manufacturing capital**
57 **investment;**

58 **(2) At fifty percent of the agreed-upon qualified manufacturing capital**
59 **investment;**

60 **(3) At seventy-five percent of the agreed-upon qualified manufacturing capital**
61 **investment; and**

62 **(4) At one hundred percent of the agreed-upon qualified manufacturing capital**
63 **investment.**

64 **6. To be eligible for consideration for the tax credit under this section, a qualified**
65 **manufacturing company shall submit an application and documentation to the**
66 **department, as required by the department, outlining a qualified manufacturing**
67 **capital investment plan totaling no less than one billion dollars.**

68 **7. In order to receive benefits under this section, a qualified manufacturing**
69 **company shall enter into written agreement with the department containing detailed**
70 **performance requirements and repayment penalties in the event of nonperformance.**
71 **Upon approval of a notice of intent to request benefits under this section, the**
72 **department and the qualified manufacturing company shall enter into a written**
73 **agreement covering the applicable period. The agreement shall specify, at a minimum:**

74 **(1) The committed number of retained jobs, payroll, and new qualified**
75 **manufacturing capital investment for each year during the project period;**

76 **(2) Clawback provisions, as may be required by the department; and**

77 **(3) Any other provisions the department may require.**

78 **8. The amount of tax credits awarded to a qualified manufacturing company**
79 **under this section shall not exceed the minimal amount necessary to obtain the qualified**
80 **manufacturing company's commitment to initiate the project. In determining the**
81 **amount of tax credits to award to a qualified company, the department shall consider**
82 **the following factors:**

83 **(1) The significance of the qualified manufacturing company's need for program**
84 **benefits;**

85 **(2) The amount of projected economic impact to the state of the project and the**
86 **period in which the state would realize such net fiscal benefit;**

87 **(3) The overall size and quality of the proposed project, including the number of**
88 **new jobs, new qualified manufacturing capital investment, proposed wages, growth**
89 **potential of the qualified manufacturing company, the potential multiplier effect of the**
90 **project, and similar factors;**

91 **(4) The financial stability and creditworthiness of the qualified manufacturing**
92 **company;**

93 **(5) The level of economic distress in the area; and**

94 **(6) An evaluation of the competitiveness of alternative locations for the project**
95 **facility, as applicable.**

96 **9. Once the company and department agree on tax credits, the qualified**
97 **manufacturing company has three years from the date of department approval to meet**
98 **twenty-five percent of a qualified manufacturing capital investment. Once the twenty-**
99 **five percent threshold of the qualified manufacturing capital investment is met, a**
100 **qualified manufacturing company has five years to receive the full agreed-upon tax**
101 **credits. If a qualified manufacturing company does not meet the twenty-five percent**
102 **threshold by year three after the agreement, the agreement shall be deemed void. A**
103 **qualified manufacturing company may reapply at any time. A qualified manufacturing**
104 **company shall not be entitled to the full agreed-upon tax credits unless the agreed**
105 **qualified manufacturing capital investment threshold is met in the time period defined**
106 **in this section. A qualified manufacturing company that does not meet the full agreed-**
107 **upon qualified manufacturing capital investment threshold may apply for the program**
108 **again if the qualified manufacturing company meets the requirements of this section.**

109 **10. A qualified manufacturing company receiving benefits under this program**
110 **shall provide an annual report of the number of jobs and such other information as may**
111 **be required by the department to document the basis for program benefits available no**
112 **later than ninety days prior to the end of the qualified manufacturing company's tax**
113 **year immediately following the tax year for which the benefits provided under the**
114 **program are attributed.**

115 **11. Tax credits provided under this program may be claimed against taxes**
116 **otherwise imposed by chapters 143 and 148 but shall be claimed within one year of the**
117 **close of the tax year for which they were issued. Tax credits provided under this**
118 **program may be transferred, sold, or assigned by filing a notarized endorsement thereof**
119 **with the department that names the transferee, the amount of tax credit transferred,**
120 **and the value received for the credit, as well as any other information reasonably**
121 **requested by the department. For a qualified manufacturing company with flow-**
122 **through tax treatment to its members, partners, or shareholders, the tax credit shall be**
123 **allowed to members, partners, or shareholders in proportion to their share of ownership**
124 **on the last day of the qualified company's tax period.**

125 **12. Prior to the issuance of tax credits or the qualified manufacturing company**
126 **beginning to retain withholding taxes, the department shall verify through the**
127 **department of revenue, and any other applicable state department, that the tax credit**

128 applicant does not owe any delinquent income, sales, or use tax or interest or penalties
129 on such taxes, or any delinquent fees or assessments levied by any state department and
130 through the department of commerce and insurance that the applicant does not owe any
131 delinquent insurance taxes or other fees. Such delinquency shall not affect the approval,
132 except that any tax credits issued shall be first applied to the delinquency and any
133 amount issued shall be reduced by the applicant's tax delinquency. If the department of
134 revenue, the department of commerce and insurance, or any other state department
135 concludes that a taxpayer is delinquent after June fifteenth but before July first of any
136 year and the application of tax credits to such delinquency causes a tax deficiency on
137 behalf of the taxpayer to arise, the taxpayer shall be granted thirty days to satisfy the
138 deficiency in which interest, penalties, and additions to the tax shall be tolled. After
139 applying all available credits toward a tax delinquency, the administering agency shall
140 notify the appropriate department and that department shall update the amount of
141 outstanding delinquent tax owed by the applicant. If any credits remain after satisfying
142 all insurance, income, sales, and use tax delinquencies, the remaining credits shall be
143 issued to the applicant, subject to the restrictions of other provisions of law.

144 13. The director of revenue shall issue a refund to the qualified manufacturing
145 company to the extent that the amount of tax credits allowed under this program
146 exceeds the amount of the qualified company's tax liability under chapter 143 or 148.

147 14. Any qualified manufacturing company approved for benefits under this
148 program shall provide to the department, upon request, any and all information and
149 records reasonably required to monitor compliance with program requirements.

150 15. Before January 1, 2026, and the first day of each calendar quarter thereafter,
151 the department shall present a quarterly report to the general assembly detailing the
152 benefits authorized under this program during the immediately preceding calendar
153 quarter to the extent such information may be disclosed under state and federal law.
154 The report shall include, but not be limited to:

155 (1) A list of all approved and disapproved applicants for each tax credit;

156 (2) A list of the aggregate amount of new or retained jobs that are directly
157 attributable to the tax credits authorized;

158 (3) A statement of the aggregate amount of new capital investment directly
159 attributable to the tax credits authorized;

160 (4) Documentation of the estimated economic impact for each authorized project
161 and, to the extent available, the actual benefit realized upon completion of such project
162 or activity; and

163 (5) The department's response time for each request for a proposed benefit
164 award under this program.

165 **16. The department of economic development may promulgate all necessary**
166 **rules and regulations for the administration of this section. Any rule or portion of a**
167 **rule, as that term is defined in section 536.010, that is created under the authority**
168 **delegated in this section shall become effective only if it complies with and is subject to**
169 **all of the provisions of chapter 536 and, if applicable, section 536.028. This section and**
170 **chapter 536 are nonseverable and if any of the powers vested with the general assembly**
171 **pursuant to chapter 536 to review, to delay the effective date, or to disapprove and annul**
172 **a rule are subsequently held unconstitutional, then the grant of rulemaking authority**
173 **and any rule proposed or adopted after August 28, 2024, shall be invalid and void.**

✓